



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-855]

Diamond Sawblades and Parts Thereof from the Republic of Korea: Final Results of Antidumping Duty Administrative Review, 2010-2011

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On December 10, 2012, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on diamond sawblades and parts thereof (diamond sawblades) from the Republic of Korea (Korea). The period of review (POR) is November 1, 2010, through October 23, 2011. For the final results, we continue to find that certain companies covered by this review made sales of subject merchandise at less than normal value.

DATES: As of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin or Yasmin Nair, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-6478 and (202) 482-3813, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 10, 2012, the Department published the *Preliminary Results* of the administrative review of the antidumping duty order on diamond sawblades from Korea.<sup>1</sup> On January 16, 2013, we received case briefs with respect to the *Preliminary Results* from the

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<sup>1</sup> See *Diamond Sawblades and Parts Thereof From the Republic of Korea: Preliminary Results of*

Diamond Sawblades Manufacturers Coalition (Petitioner), Ehwa Diamond Industrial Co., Ltd. (Ehwa), and Shinhan Diamond Industrial Co., Ltd. and SH Trading, Inc. (collectively, Shinhan). On January 23, 2013, we received rebuttal briefs from these same parties.

On April 5, 2012, the Petitioner alleged that Hyosung Diamond Industrial Co., Ltd., Western Diamond Tools Inc., and Hyosung D&P Co., Ltd. (collectively, Hyosung); Ehwa and Shinhan, and their respective Chinese subsidiaries, Weihai Xiangguang Mechanical Industrial Co., Ltd. and Qingdao Shinhan Diamond Industrial Co., Ltd., sold diamond sawblades into the United States bearing false country of origin designations.

On March 19, 2013, we issued a post-preliminary memorandum finding that the information submitted by Ehwa and Shinhan is reliable for the final results of the review.<sup>2</sup> We allowed parties the opportunity to comment but did not receive comments.

We extended the due date for the final results of review to April 30, 2013,<sup>3</sup> and then to June 10, 2013.<sup>4</sup>

We have conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

### Fraud Allegations

We continue to find the information Ehwa and Shinhan submitted in this review to be reliable for the final results of review.<sup>5</sup> The Final Decision Memorandum is a public document

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*Antidumping Duty Administrative Review; 2010-2011*, 77 FR 73420 (December 10, 2012) (*Preliminary Results*).

<sup>2</sup> See Memorandum to Paul Piquado, Assistant Secretary for Import Administration, entitled “Administrative Review of the Antidumping Duty Orders on Diamond Sawblades and Parts Thereof from the Republic of Korea for the 2010-2011 Period: Post-Preliminary Analysis” dated March 19, 2013 (Post-Preliminary Analysis Memorandum).

<sup>3</sup> See Department Memorandum, “Diamond Sawblades and Parts Thereof from the Republic of Korea and the People's Republic of China: Extension of Time Limits for the Final Results of the Antidumping Duty Administrative Reviews” dated March 22, 2013.

<sup>4</sup> See Department Memorandum, “Diamond Sawblades and Parts Thereof from the Republic of Korea and the People's Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Reviews” dated April 29, 2013.

<sup>5</sup> See Memorandum to Paul Piquado, Assistant Secretary for Import Administration, entitled “Issues and Decision Memorandum for the Final Results in the Second Antidumping Duty Order Administrative Review of

and is on file electronically *via* Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Final Decision Memorandum can be accessed directly on the Internet at <http://www.trade.gov/ia/>. The signed Final Decision Memorandum and the electronic versions of the Final Decision Memorandum are identical in content.

#### Scope of the Order

The merchandise subject to the order is diamond sawblades. The diamond sawblades subject to the order are currently classifiable under subheadings 8202 to 8206 of the Harmonized Tariff Schedule of the United States (HTSUS), and may also enter under 6804.21.00. The HTSUS subheadings are provided for convenience and customs purposes. A full description of the scope of the order is contained in the Final Decision Memorandum. The written description is dispositive.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs are addressed in the Final Decision Memorandum. A list of the issues raised is attached to this notice as Appendix I.

#### Changes Since the Preliminary Results

Based on our analysis of the comments received, we changed our calculation methodology for Ehwa's and Shinhan's dumping margins. We modified the model-match methodology to ensure only products with the same physical form matched. For Ehwa, we corrected currency conversions for expenses reported by Ehwa, adjusted certain programming

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Diamond Sawblades and Parts Thereof from the Republic of Korea" dated concurrently with this notice (Final Decision Memorandum) at Comment 2.

language related to Ehwa's level of trade (LOT), and recalculated Ehwa's variable cost of manufacturing and production interest expense.<sup>6</sup>

#### Use of Adverse Facts Available

Consistent with the *Preliminary Results*, we determine that the failure of Hyosung to provide requested information necessary to calculate accurate dumping margins warrants the use of facts otherwise available with an adverse inference. Consequent to the changes from the *Preliminary Results* identified above, the final margin for Hyosung is 120.90 percent.<sup>7</sup>

#### Cost of Production

As discussed in the *Preliminary Results*, we conducted an investigation to determine whether Ehwa and Shinhan made home market sales of the foreign like product during the POR at prices below their costs of production within the meaning of section 773(b) of the Act. For these final results, we performed the cost test following the same methodology as discussed in the *Preliminary Results*. In accordance with sections 773(b)(1) and (2) of the Act, we disregarded certain of Ehwa's and Shinhan's sales in the home market that were made at below-cost prices. Because Hyosung failed to provide responses, we were unable to conduct a sales below cost investigation for Hyosung.

#### Final Results of the Review

As a result of the administrative review, we determine that the following weighted-average dumping margins exist for the period November 1, 2010, through October 23, 2011:

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<sup>6</sup> See Final Decision Memorandum, and Department Memoranda, "Final Results Calculation for Ehwa Diamond Industrial Co., Ltd. in the Second Review of Diamond Sawblades and Parts Thereof from the Republic of Korea," and "Final Results Calculation for Shinhan Diamond Industrial Co., Ltd. in the Second Review of Diamond Sawblades and Parts Thereof from the Republic of Korea" dated concurrently with this notice for a complete explanation of the changes to the dumping margin calculations.

<sup>7</sup> For further discussion, see Department Memorandum, "Final Adverse Facts Available Rate for Hyosung" dated concurrently with this notice.

<u>Exporter/Manufacturer</u>	<u>Margin</u>
Ehwa Diamond Industrial Co., Ltd.	1.45 percent
Hyosung Diamond Industrial Co., Ltd, Western Diamond Tools Inc., and Hyosung D&P Co., Ltd.	120.90 percent
Shinhan Diamond Industrial Co., Ltd. and SH Trading, Inc.	0.00 percent

#### Assessment Rates

The Department shall determine, and U.S. Customs and Border Protection (CBP) will assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212(b)(1). On October 24, 2011, the U.S. Court of International Trade preliminarily enjoined liquidation of entries that are subject to the final determination.<sup>8</sup> Accordingly, the Department will not instruct CBP to assess antidumping duties pending resolution of the associated litigation.

Pursuant to 19 CFR 351.212(b)(1), for all sales made by the respondents for which they have reported the importer of record and the entered value of the U.S. sales, we have calculated importer-specific assessment rates based on the ratio of the total amount of antidumping duties calculated for the examined sales to the total entered value of those sales. Where the respondent did not report the entered value for U.S. sales to an importer, we have calculated importer-specific assessment rates for the merchandise in question by aggregating the dumping margins calculated for all U.S. sales to each importer and dividing this amount by the total quantity of those sales.

To determine whether the duty assessment rates were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), the Department calculated importer-specific *ad valorem* ratios based on the entered value or the estimated entered value, when entered value was

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<sup>8</sup> See Notice of Final Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the Republic of Korea, 71 FR 29310 (May 22, 2006).

not reported. Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the assessment rate is *de minimis* (*i.e.*, less than 0.50 percent).

The Department clarified its “automatic assessment” regulation on May 6, 2003.<sup>9</sup> This clarification will apply to entries of subject merchandise during the POR produced by Ehwa and Shinhan for which these companies did not know that their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate involved in the transaction. For a full discussion of this clarification, *see Assessment Policy Notice*.

#### Cash Deposit Requirements

Effective October 24, 2011, the Department revoked the antidumping duty order on diamond sawblades from Korea, pursuant to a proceeding under section 129 of the Uruguay Round Agreements Act to implement the findings of the World Trade Organization dispute settlement panel in United States - *Use of Zeroing in Anti-Dumping Measures Involving Products from Korea* (WTIDS402/R) (January 18, 2011).<sup>10</sup> Consequently, no cash deposits are required on imports of subject merchandise.

#### Notification to Interested Parties

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby

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<sup>9</sup> See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

<sup>10</sup> See *Notice of Implementation of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocation of the Antidumping Duty Order on Diamond Sawblades and Parts Thereof From the Republic of*

requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

These final results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Import Administration

June 10, 2013  
(Date)

Appendix I – Issues in Decision Memorandum

**General Issues**

**Comment 1: Whether the Petitioner’s Targeted Dumping Allegations are Timely**

**Comment 2: Fraud Allegations and the Reliability of Respondents’ Submissions**

**Comment 3: Product-Matching**

**Comment 4: Treatment of U.S. Repacking Expenses**

**Ehwa-Specific Issues**

**Comment 5: Treatment of Indirect Selling Expenses and Inventory Costs**

**Comment 6: Treatment of Level of Trade**

**Comment 7: Calculation of Variable Cost of Manufacture and Double-Counting G&A  
and Production Interest Expenses**

**Shinhan-Specific Issues**

**Comment 8: Treatment of Duty Drawback Adjustment**

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